

AN ACT

relating to the Texas Department of Motor Vehicles' electronic lien system.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 501.117, Transportation Code, is amended by amending Subsection (a) and adding Subsections (d), (d-1), (d-2), (e), and (f) to read as follows:

(a) The department by rule shall develop a system under which a security interest in a motor vehicle may be perfected, assigned, discharged, and canceled electronically instead of by record maintained on a certificate of title. The department may establish categories of lienholders that may participate in the system and, except as provided by this section, may require a lienholder to participate in the system [~~Participation by a lienholder in the system is voluntary~~].

(d) The department may not require a depository institution, as defined by Section 180.002, Finance Code, to participate in the system if the department has issued fewer than 100 notifications of security interests in motor vehicles to the depository institution during a calendar year.

(d-1) The department may not require a depository institution, as defined by Section 180.002, Finance Code, to participate in the system:

(1) during 2011, if the department issues fewer than

1 200 notifications of security interests in motor vehicles to the
2 depository institution between September 1, 2011, and December 31,
3 2011; and

4 (2) during 2012, if the depository institution was
5 exempt under Subdivision (1) and the department issues fewer than
6 200 notifications of security interests in motor vehicles to the
7 depository institution in 2012.

8 (d-2) This subsection and Subsection (d-1) expire January
9 1, 2013.


10 (e) The department by rule shall establish a reasonable
11 schedule for compliance with the requirements of Subsection (a) for
12 each category of lienholder that the department requires to
13 participate in the system.

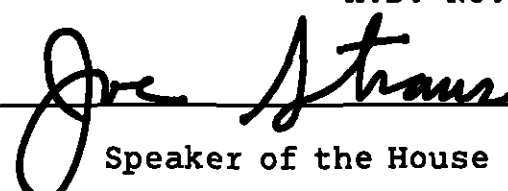
14 (f) The department may not:

15 (1) prohibit a lienholder from using an intermediary
16 to access the system; or

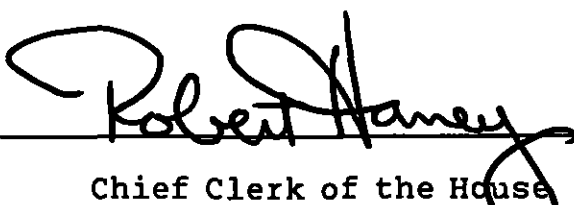
17 (2) require a lienholder to use an intermediary to
18 access the system.

19 SECTION 2. This Act takes effect September 1, 2011.

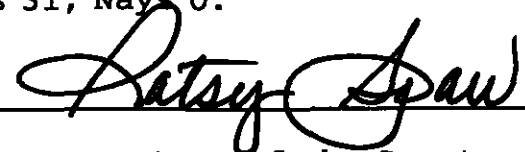

President of the Senate

H.B. No. 2575

Speaker of the House

I certify that H.B. No. 2575 was passed by the House on April 27, 2011, by the following vote: Yeas 145, Nays 0, 3 present, not voting.


Chief Clerk of the House

I certify that H.B. No. 2575 was passed by the Senate on May 25, 2011, by the following vote: Yeas 31, Nays 0.


Secretary of the Senate

APPROVED: 17 JUN'11

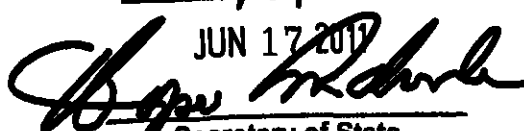
Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

4 PM O'CLOCK

JUN 17 2011


Secretary of State